

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In re:	§	
	§	Chapter 11
	§	
BSPV-PLANO, LLC, ¹	§	Case No. 22-40276 (BTR)
	§	
Debtor.	§	
	§	

THIRD ORDER AUTHORIZING INTERIM USE OF CASH COLLATERAL

CAME ON FOR CONTINUED HEARING on April 1, 2022 (“Third Hearing”), the *Emergency Motion for Interim and Final Authority to Use Cash Collateral* (the “Motion”),² filed by BSPV-Plano, LLC (the “Debtor”), the debtor-in-possession in the above styled and numbered bankruptcy case (the “Bankruptcy Case”). Following an initial hearing held on the Motion on an emergency basis on March 8, 2022 (“Initial Hearing”), this Court entered an order [Docket No. 53] (the “Initial Interim Order”) based on its consideration of the Motion, the arguments of counsel, the evidence adduced at the Initial Hearing, and the record before it, and found that, among other things, the Debtor was permitted to use \$877,000 from the “Project Fund” (the “Project Fund”) held by The Huntington National Bank, in its capacity as trustee for certain pre-petition bonds and as secured lender to the Debtor (the “Bond Trustee”) under the Indenture, during the period from the Petition Date through March 18, 2022, solely in the amounts set forth and for the purposes specified in budget attached to the Initial Interim Order as Exhibit “A” (the “Original Interim Budget”). In the Initial Interim Order, the Court set a final hearing on the Debtor’s proposed use of cash collateral in the Motion for March 18, 2022 at 2:00 p.m. (prevailing Central Time)

¹ The last four (4) digits of the Debtor’s federal tax identification number is (3228). The Debtor’s address for notices is: 4851 Keller Springs Road 209, Addison, Texas 75001.

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

(“Second Hearing”). As announced at the Second Hearing, the Debtor and the Bond Trustee conferred and agreed to the terms of an extended period for the Debtor to use Cash Collateral (as defined herein) for the period through and including April 1, 2022, as set forth in the second *Order Authorizing Interim Use of Cash Collateral* (the “Second Interim Order”) dated March 22, 2022 [Docket No. 68] and accompanying budget (the “Second Interim Budget”). The Debtor and the Bond Trustee have agreed to a further extension of the use of Cash Collateral on the terms set forth in this *Third Order Authorizing Interim Use of Cash Collateral* (the “Third Interim Order”) and accompanying budget attached hereto as **Exhibit “A”** and which is incorporated herein by reference (the “Third Interim Budget,” and collectively with the Original Interim Budget and Second Interim Budget, the “Interim Budgets”), to allow the parties time to discuss a consensual final cash collateral order (a “Consensual Final Cash Collateral Order”). The consensual extended terms for the continued use of Cash Collateral on an interim basis, while the parties discuss a Consensual Final Cash Collateral Order, are set forth in this Third Interim Order. Accordingly, it is hereby:

ORDERED that the Motion is GRANTED on a further interim basis for the period beginning on the Petition Date and extending through April 15, 2022 (“Interim Period”), as provided for herein; it is further

ORDERED that the Motion is set for a final hearing on April 19, 2022, at 1:30 p.m. (prevailing Central Time) (the “Final Hearing”); it is further

ORDERED that the Debtor and the Bond Trustee shall, by no later than 5:00 p.m. on the date that is three (3) business days before the Final Hearing, file either (i) a proposed, Consensual Final Cash Collateral Order; or (ii) notice of their respective witness and exhibit lists (with

exhibits) on the Court's docket as required by, and in conformance with, applicable local rules; it is further

ORDERED that in the event the Debtor and the Bond Trustee do not file a Consensual Final Cash Collateral Order as set forth above, each of the Bond Trustee and the Debtor may file supplemental briefs in connection with the issues before the Court at the Final Hearing, provided, however, such supplemental briefs shall be filed by no later than 4:00 p.m. Central Time on the date that is three (3) days before the Final Hearing; and it is further

ORDERED in addition to the \$877,000 from the Project Fund that was authorized to be used by the Debtor under the terms of the Initial Interim Order, and the additional \$822,000 from the Project Fund that was authorized to be used by the Debtor under the terms of the Second Interim Order, the Debtor is authorized to use an additional \$361,000 from the Project Fund and \$109,000 from the specified O&M fund (together with the \$877,000 and \$822,000 amounts referenced above, the "Cash Collateral") during the Interim Period, solely in the amounts set forth and for the purposes specified in the Third Interim Budget. The Bond Trustee shall turn over the additional Cash Collateral and otherwise make such amount available to the Debtor upon the Debtor providing requisition requests to the Bond Trustee substantially in the form set forth in **Exhibit "B"** hereto, and under which the Debtor shall provide itemized disclosures of the authorized uses and amounts covered under the request, by category, and attach the Third Interim Budget as documentation. On no less than a weekly basis the Debtor shall provide written reports to the Bond Trustee and United States Trustee disclosing prior expenditures by the Debtor of Cash Collateral funded to the Debtor pursuant to this Order (as well as the Initial Interim Order and the Second Interim Order), by vendor and amount, and to the extent available, receipts or other documentation of such expenditures. Pending further Order of this Court, the Debtor is prohibited

from using Cash Collateral for any items not set forth on an Interim Budget or beyond the Interim Period, or from using Cash Collateral for any line-item in an Interim Budget in amounts greater than the amounts set forth in such line-item; it is further

ORDERED that, as additional adequate protection to the Bond Trustee for the use of the Cash Collateral:

1. prior to expending any Cash Collateral comprised of the \$139,000 in Project Fund proceeds authorized by this Order for the week ending April 15, 2022, the Debtor shall have obtained and spent all amounts identified as “DIP Loan Draws” or “Cash Injection from BSPV Equity Holders” for such week and all prior weeks, and is hereby authorized to use such DIP loan proceeds for such purposes and amounts;
2. the Debtor shall maintain and preserve all existing insurance coverage to and for the Debtor’s Project and the Debtor’s continuing operations, including but not limited to general liability and premises liability coverage;
3. the Bond Trustee is hereby granted post-petition replacement liens against all property of the Debtor, with the same extent and priority as the Bond Trustee had with respect to property of the Debtor as of the Petition Date, to secure against any diminution in the value of the Bond Trustee’s pre-petition collateral caused by the Debtor’s use of Cash Collateral. Any and all such replacement liens are hereby deemed automatically perfected without the need for further action by the Bond Trustee or any other person or entity, and the Bond Trustee may record or present this Order as evidence thereof;
4. in the event of any diminution in the value of Bond Trustee’s collateral caused by the Debtor’s use of Cash Collateral, the Bond Trustee shall be granted a superpriority

administrative claim under section 507(b) of the Bankruptcy Code for any such diminution in value; and it is further

ORDERED that nothing in this Order is intended to adversely impact or prevent the Debtor's and Bond Trustee's ability to agree to additional or other expenditures of Cash Collateral during the Interim Period, or to propose to the Court at or before the Final Hearing to extend the Interim Period in connection with any agreed, additional corresponding extension of the Interim Budget allowances and authorizations applicable to same; it is further

ORDERED that the Court shall retain jurisdiction to the maximum extent possible to interpret and enforce this Order.

Signed on 4/1/2022

Brenda T. Rhoades YM
HONORABLE BRENDA T. RHOADES,
CHIEF UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

BSPV Plans, LLC Cash Flow Projections - Weeks Ending 03/27/22 to 03/27/25 (in \$'s)								
CF Forecast Week Number	1	2	3	4	5	6	7	Thru Week Ending #15
Week Ending	4-Mar	11-Mar	18-Mar	25-Mar	1-Apr	8-Apr	15-Apr	Total
Opening Cash Balance	-	200	492	150	153	0	0	-
Operating Receipts:								
Rent (Less Concessions) ⁽¹⁾	-	-	-	-	-	-	-	-
Other Income ⁽²⁾	-	-	-	-	-	-	-	-
Total Receipts ⁽³⁾	-	-	-	-	-	-	-	-
Operating Disbursements:								
Operations	-	-	-	-	-	-	-	-
Management Fee	-	-	-	-	-	-	-	-
Marketing & Advertising	-	-	-	5	-	2	-	7
Payroll	-	-	-	16	-	16	-	31
Utilities	-	-	-	2	2	2	2	7
Repairs & Maintenance	-	-	-	-	-	5	-	5
Insurance ⁽⁴⁾	-	-	-	-	-	50	-	50
Tenant Activities	-	-	-	0	0	0	0	1
G&A	-	-	-	3	-	3	-	6
Other Exp	-	-	-	2	-	2	-	3
Total Operating Disbursements ⁽⁵⁾	-	-	-	2	26	52	29	108
Operating Cash Flow	-	-	-	(2)	(26)	(52)	(29)	(108)
Soft Cost Draws ⁽⁶⁾	-	-	-	-	-	109	-	109
Construction-Related Receipts:								
Access to Project Fund	-	877	-	822	-	222	139	2,060
Access to O&M Fund	-	-	-	-	-	-	-	-
DIP Loan Draws	-	-	-	200	-	-	100	300
Cash Injection from BSPV Equity Holders	200	-	-	-	-	-	200	400
Construction-Related Disbursements:								
HVAC	-	45	90	-	-	-	41	176
HVAC Materials	-	151	-	-	-	-	-	151
HVAC Finals	-	-	-	-	-	-	-	-
Drywall	-	-	-	25	-	90	-	115
Insulation	-	-	-	45	-	45	-	90
Paint	-	-	6	-	-	7	-	13
Electrical	-	-	8	-	-	36	-	44
Electrical Trim	-	-	2	-	-	2	-	4
Fire Rough	-	-	-	15	-	-	-	15
Fire Finals	-	-	5	-	-	4	-	9
Flooring	-	-	35	-	-	6	0	41
Showers	-	-	-	-	-	-	-	-
Hardware	-	-	-	-	-	3	-	3
Trim	-	-	-	-	-	-	-	-
Plumbing	-	54	108	162	-	108	-	432
Plumbing Trim	-	-	-	-	-	-	-	-
Appliance Installation	-	-	-	-	-	-	-	-
Cabinets/Granite Installation	-	-	-	-	-	-	-	-
Framing/Siding	-	8	8	8	4	-	-	28
Roofing	-	-	20	-	-	26	-	46
Gutters	-	-	-	-	-	-	-	-
Elevators	-	-	-	-	-	-	-	-
Doors	-	-	-	300	-	-	-	300
Mirror Installation	-	-	-	-	-	-	-	-
Balconies	-	-	-	-	-	-	-	-
Courtyard Finishes	-	-	-	-	-	-	-	-
Landscaping	-	-	-	-	-	-	-	-
Lighting	-	-	-	-	-	-	-	-
Sidewalks	-	-	-	-	-	-	-	-
Stripping/Bumper Stops	-	-	-	-	-	-	-	-
Garage Storage Units	-	-	-	-	-	-	-	-
Carpets	-	-	-	-	-	-	-	-
Pool/Pool Enclosure	-	-	-	-	-	-	-	-
Pool Deck Concrete	-	-	-	-	-	-	-	-
Pool Furniture	-	-	-	-	-	-	-	-
Clubhouse Furniture	-	-	-	-	-	95	-	95
East Side Retaining Wall	-	-	-	-	-	-	-	-
Specialties	-	-	-	-	30	-	-	30
Utilities	-	-	-	16	-	-	-	16
GC Management	-	-	-	-	8	-	6	13
Additional GC Management - Regent Construction	-	-	-	-	90	-	-	90
Equipment Rental	-	-	-	-	1	-	-	1
Stairs	-	-	-	-	-	-	-	-
Materials	-	-	-	163	-	43	-	206
Trash Cleanup	-	-	8	-	-	-	-	16
Punchouts/Final Clean	-	-	-	-	-	-	-	-
Drainage Under Railroad ⁽⁷⁾	-	-	-	-	-	-	-	-
Hydrologist	-	-	-	-	-	-	-	-
Regulatory Consulting	-	-	2	-	-	2	-	4
Contingency	-	-	-	-	-	-	-	-
Total Construction-Related Disbursements	-	258	292	719	126	233	311	1,939
Construction-Related Cash Flow	200	619	(292)	303	(126)	(111)	128	821
Operating and Construction Net Cash Flow	200	619	(292)	302	(152)	46	100	822
Chapter 11 Related Disbursements								
Critical vendor payment plans ⁽⁸⁾	-	317	50	149	-	36	-	552
Debtor Professionals	-	-	-	150	-	-	100	250
Unsecured creditors committee	-	-	-	-	-	-	-	-
US Trustee	-	-	-	-	-	-	-	-
Utility security deposits	-	10	-	-	-	10	-	20
Other	-	-	-	-	-	-	-	-
Total Chapter 11 Related Disbursements	-	327	50	299	-	46	100	822
Cash Flow Before Interest Payments	200	292	(342)	3	(152)	0	(0)	0
Interest Payments								
A-Series Bonds	-	-	-	-	-	-	-	-
B-Series Bonds	-	-	-	-	-	-	-	-
C-Series Bonds	-	-	-	-	-	-	-	-
D-Series Bonds	-	-	-	-	-	-	-	-
Total Interest Payments	-	-	-	-	-	-	-	-
Net Cash Flow After Interest Payments	200	292	(342)	3	(152)	0	(0)	0
Ending Cash Balance ⁽⁹⁾	200	492	150	153	0	0	0	0

Footnotes

- (1) Receipts are sourced from the 55-month Projection of Operating Results
- (2) First month is scheduled for Mid-March. However, the concession that will be offered is first month's rent free - thus the people moving in March will not begin paying rent until April's rent, thus we will project this to be received first week of May to be conservative. The remaining projected cash received for rent will follow. For simplicity sake, rent will be projected to be received on the first of the month, per the 55-month projection
- (3) Other income includes parking, storage units, washer/dryer rental, door to door trash service, mail service, etc
- (4) For recent discussions with insurance carriers
- (5) Disbursements are sourced from the 55-month Projection of Operating Results
- (6) Anticipated payment in arrears
- (7) Critical Vendor payment plan. Most critical vendors scheduled at full pre-petition payment in week 2; remainder paid in weeks 3 and 4
- (8) Ending Cash Balance in Week 3 of \$119k funded to bankruptcy counsel retainer
- (9) Funded from the O&M Fund

EXHIBIT B

EXHIBIT B

FORM OF PROJECT FUND REQUISITION

Requisition No. _____

Date: _____

To: The Huntington National Bank, as Trustee (the "Trustee") under the Trust Indenture dated as of December 1, 2018 (the "Indenture"), relating to New Hope Cultural Education Facilities Finance Corporation Senior Living Revenue Bonds (Bridgemoor Plano Project) Senior Series 2018A, Taxable Senior Series 2018B, Subordinate Series 2018C, and Junior Subordinate Series 2018D.

Attention: Trust Department

The undersigned Borrower Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement of even date therewith (the "Agreement") relating to the Bonds identified above between BSPV-Plano, LLC, a Texas limited liability company (the "Borrower") and the New Hope Cultural Education Facilities Finance Corporation hereby requests that there be paid from the Project Fund the sum set forth below, as follows:

Purpose	Amount
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TOTAL:

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

BSPV-PLANO, LLC
a Texas limited liability company

By: _____

Name:

Title: